GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

12 March 2013

Dear Sir

The evidence of Global's performance so far demonstrates that if the merger was allowed to go ahead it would not be in the public interest.

For every station Global has acquired and re-branded over the past few years, they have simply cut costs and investment in programming, by reducing local content to the minimum allowed, networking as much as possible from London, reducing speech levels in programming and cutting news durations to a minimum. While I am sure that reduced costs have improved Global's profits, there is no evidence that this has led to higher audiences or an improved proposition for consumers.

Ofcom's published research has repeatedly shown how audiences value local content on commercial radio and the Real Radio stations that Global has bought have performed well on this measure under GMG's ownership, broadcasting programming that is speech-heavy, with lots of local information. Programming has been locally made for each station throughout daytime and hourly news bulletins have been around 2 - 3 minutes duration, with a heavy investment in journalism. The Real Radio station in Wales is de facto the national commercial radio station for Wales, which plays an important democratic role, broadcasting programming for Wales at the times of day when people listen most. In Wales it is important that the two Real Radio licences are sold together, partly because of the importance of having a national commercial station for Wales but also because the north Wales licence has no studios or presenters and any purchaser of this as a single licence would find it difficult to sustain on a stand-alone basis.

Real Radio Scotland performs a similar role there, albeit not for the whole of Scotland.

If Global was to be allowed to take-over these stations and turn them into Heart as many people believe they want to do, then on the basis of past experience, all of that strong local programming would go, being reduced to just breakfast and afternoon drive-time and daytime. News bulletin durations would be slashed with a focus more on entertainment and show-business news, rather than hard news. Global has cynically requested format changes to introduce 20 minute news programmes in Wales and Scotland at 6.40pm on weekdays. This may appear to be a consumer benefit, but a quick analysis of Rajar listening figures will show that listening has dropped dramatically by this time of day, as the evening commute is over. The result is likely to be a news programme with a small audience, at a time which is competing directly with regional television news on BBC 1 and ITV. Meanwhile news output during the day, when people are actually listening to the radio will be reduced. Global has already reduced the amount of local programming on the Real stations down to the minimum of 7 hours a day on weekdays.

Smooth is a different proposition and is effectively a national station with local advertising. Allowing the licences it comprises to be sold-off piecemeal would undermine the viability of the national service on digital, which I would argue would be against the public interest.

Overall I believe the former GMG services should be sold in their entirety, although it would also be possible to sell the Real Radio stations and the Smooth Radio stations as two separate packages.
Please keep this response confidential.

Yours,

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